



SBA's EXPORT FINANCE PROGRAMS

<http://www.sba.gov/oit/>

The U.S. Small Business Administration (SBA) offers loan guarantees to lenders for export financing of small businesses when they are not bankable without a government guarantee. SBA guaranteed loans may not exceed \$2 million and the maximum guarantee is usually \$1 million. Interest rates are market-based, not subsidized and negotiated by bank and borrower. SBA fees vary for loan terms and amounts; a personal guaranty may be required and other conditions may apply.

NOTE: During 2004, loans are capped at \$750,000 (A, C section below).

Eligibility

- Meet SBA's size standards for small businesses
- Have been in business for at least 12 continuous months.
- All types of businesses, incl. service exports
- Businesses not directly exporting but produce or sell product/ services for export

There are four types of SBA loans to support export financing needs, including transaction financing, export market development and business start-up or long term financing for construction and equipment.

A. EXPORT WORKING CAPITAL PROGRAM www.sba.gov/financing/loanprog/ewcp.html

For single transactions or multiple sales [revolving line of credit], the Export Working Capital Program (EWCP) provides loans to cover pre-shipment or post-shipment working capital or a combination of both:

- Pre-shipment: for the manufacture of goods, to purchase finished goods or services for export.
- Post-shipment: to finance accounts receivable resulting from export sales (180 days maximum).
- Combination: to finance both the acquisition or production of export goods and services and the resulting accounts receivable.

B. EXPORT EXPRESS www.sba.gov/financing/loanprog/exportexpress.html

For a variety of export uses, i.e., marketing, transactions, equipment, expansion, etc., up to \$250,000, the Export Express loan is available through SBA Express Lenders. The lenders offer expedited review and processing and quick turn around from SBA.

C. INTERNATIONAL TRADE LOAN www.sba.gov/financing/loanprog/tradeloans.html

Limited to fixed asset uses, i.e., construction, buildings, equipment, etc., this program offers long term financing up to \$1 million to support growing export businesses. When used in combination with an EWCP loan for working capital, SBA's guaranteed amount can increase to \$1.25 million.

D. 504 LOAN PROGRAM www.sba.gov/financing/sbaloan/cdc504.html

Major business expansion, equipment, construction and modernization financing for long term [10 or 20 years] and fixed rates based on U.S. Treasury notes is available through SBA designated CDCs (Community Development Corporation) and requires at least 10% equity participation by the borrower.

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